

Panuch May Solve Housing Panic

["This truth involves both a menace and a promise." — Henry George]

NEW YORK newspaper readers have been introduced to an increasingly important name, J. Anthony Panuch (Pan-uk), a lawyer specializing in government reorganization, who brought in the new housing plan which Mayor Wagner said would be adopted as soon as possible. It provides for urban renewal, slum clearance and housing (except public housing) to be consolidated under a three-man board. Sixteen policy changes were included, three of which will be of special interest.

These recommend taking the profit out of slums by taxing properties at the regular income rates rather than the lower rate for capital gains; blanket tax exemption for all new housing; and an investigation of condemnation procedures to eliminate the disparity between assessed valuations and condemnation rewards. The Citizens' Housing and Planning Council study mentioned in the November HGN is quoted as showing that costs of condemned properties run 66 per cent above assessed values.

"If assessments are too low," states the report, "either the city is sustaining huge losses in revenue which it badly needs, or other properties are highly overtaxed to absorb the cost of subsidizing undertaxed slums." Figures from Cook County were introduced to show that in a revaluation of slum properties in the Chicago area assessments are expected to rise as much as 63 per cent.

The recommendation which strikes a familiar note to Georgists is the one

which appears well toward the beginning of the report, and suggests city-sponsored state legislation for tax exemption of new housing of all categories. This recalls laws advocated in 1920 by the late Lawson Purdy, who was until his death president of the Robert Schalkenbach Foundation, of which Albert Pleydell is now executive vice president.

The 1920 law broke the post-war housing deadlock in three years but was criticized because it did not produce middle and low income housing. (That was before our paternalistic uncle went into the building business.) Public housing is now heavily subsidized—middle income partially by tax exemption and reduced interest charges.

"Cooperative housing was regarded as 'Socialistic,'" the report states. How oddly old-fashioned the self-reliant 1920 generation is made to appear. (*The Visit*, a play starring the Lunts, which recently revisited New York, portrayed painfully that *everybody* can be bought, as little by little all resistance melts away).

Nevertheless we must be encouraged by Mr. Panuch's report which continues: "more intensive construction resulting from an 'across the board' tax exemption law, in my opinion, would have the advantage of being attractive to large developers without whose efforts the housing shortage cannot be overcome. It would provide a major impetus through the 'filtering down' process to increasing the total housing supply."